

F I L E D

Clerk

District Court

DEC 02 2020

for the Northern Mariana Islands

By _____

(Deputy Clerk)

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS

TIANMING WANG, *et. al.*,

Plaintiffs,

v.

GOLD MANTIS CONSTRUCTION
DECORATION (CNMI), LLC, *et. al.*,

Defendants.

Case No. 1:18-cv-0030

**ORDER TO SHOW CAUSE
AGAINST DEFENDANT IPI**

As a sanction for Defendant Imperial Pacific International (CNMI), LLC’s (“IPI’s”) noncompliance with its discovery obligations and prior orders of this Court, on August 25, 2020, the Court ordered that IPI pay to Plaintiffs attorneys’ fees in the amount of \$93,834.25 within 30 days—thus, by September 24, 2020. (ECF No. 232).¹ On September 18, 2020, one week before that deadline, IPI filed a motion requesting an extension of time to pay (ECF No. 253-1), which was supported by a declaration from its CEO, Donald R. Browne. The Court granted a 30-day extension, ordering that IPI pay the full amount no later than October 24, 2020, and make interim payments as soon as funds are available. (ECF No. 254 (the “Fee Award Order”)). The Court explicitly noted, “as discussed in prior proceedings, IPI does have assets in the CNMI that could be liquidated so that its lawful debts can be satisfied.” (*Id.* at 2). The Court stated that no further extensions would be granted because “the Court has previously notified IPI of the possibility of needing to liquidate some of its assets or direct available cash flow to satisfy court orders rather than paying other expenses.” (*Id.*).

¹ The August 25, 2020 Order describes the events leading up to its issuance in greater detail.

1 Despite the Court granting this additional time to IPI, and once again instructing IPI to liquidate
2 assets if needed to comply with the Court's orders, IPI did not make even a partial payment of the fee
3 award. IPI also did not file any notice or explanation with the Court prior to October 24, 2020, let
4 alone describe any efforts to liquidate its assets. On October 27, 2020, Plaintiffs filed a "Notice of
5 Noncompliance by Defendant IPI" (ECF No. 265) informing the Court that IPI had failed to comply
6 with the Fee Award Order. IPI still has not filed any response or explanation.

7 The Court further notes that IPI has violated numerous prior discovery-related orders, which
8 resulted in the Court finding IPI in civil contempt, ordering that it pay a fine of \$2,000 per day, and
9 later entering a default against IPI. (ECF Nos. 135, 193). Despite the imposition of the \$2,000 per day
10 sanction, which continues to accrue, IPI still has not complied with the Court's prior orders. In other
11 words, monetary sanctions against IPI have proven insufficient to compel its directors and executives
12 to take the steps necessary to comply with the orders of the Court.

13 **WHEREFORE, IPI is ordered to show cause in writing, no later than Friday, December 4,**
14 **2020 why this Court should not enter an Order:**

- 14 1. Ordering that IPI immediately comply with the Fee Award Order;
- 15 2. Finding IPI in contempt for its failure to comply with the Fee Award Order;
- 16 3. Finding Donald R. Browne, the CEO of IPI, in contempt for IPI's failure to comply with
the Fee Award Order;
- 17 4. Ordering Donald R. Browne personally to pay a fine of \$500 per day until the Fee Award
Order is paid in full;
- 18 5. Ordering that if a certification that the Fee Award Order has been paid in full is not filed
within seven (7) days of this Order, the U.S. Marshals shall take Donald R. Browne into
custody until the Court determines that the Fee Award Order has been paid in full;
- 19 6. Ordering IPI, within seven (7) days of this Order, to provide Plaintiffs with a detailed
affidavit (or affidavits) that (i) identifies and describes each and every asset, or any item of
value, that IPI, or any its subsidiaries or affiliates, owns, controls, possesses, or to which it
20 is entitled, current as of November 13, 2020, (ii) describes who at IPI has decision-making

1 authority concerning the sale, transfer, or disposition of each of those assets, and
2 (iii) describes the specific steps taken by IPI since August 25, 2020 to liquidate assets in
3 order to pay the various monetary sanctions ordered by the Court, which is to be executed
4 by an IPI officer(s) or employee(s) with personal knowledge thereof and to which all
5 relevant documentation shall be attached;

6 7. Ordering IPI, within seven (7) days of this Order, to provide Plaintiffs with any and all
7 deposition transcripts or other documents created for or produced in the case *Pacific Rim*
8 *Land Development, LLC v. Imperial Pacific International (CNMI), LLC, et al*, No. 19-cv-
9 0016 (“*Pacific Rim Litigation*”), or any other judicial or government proceeding, that relate
10 to IPI’s financial condition or decision-making authority to sell IPI’s assets;

11 8. Ordering IPI, within seven (7) days of this Order, to file a detailed, step-by-step plan with
12 the Court for liquidating sufficient assets to enable IPI to comply with the Fee Award Oder
13 within twenty-one (21) days, signed under oath by an IPI director or executive with all
14 necessary authority to execute such plan, and which (i) sets forth a plan for selling or
15 auctioning the “IPI Gaming Machines” (as identified and defined by *Pacific Rim Litigation*,
16 ECF No. 219, Ex. A) and the vehicles and heavy equipment in its possession (as identified
17 by *Pacific Rim Litigation*, ECF No. 221, Ex. A), or (ii) specifically identifies other assets
18 to be liquidated and explains why that would be preferable;

19 9. Notifying all IPI directors, officers, executives, employees, or other agents that a failure to
20 comply with this Order shall result in a finding of contempt and imposition of sanctions
21 against any responsible individual, including but not limited to a personal fine of up to
22 \$2,000 per day and incarceration until the contempt is cured;

23 10. Ordering IPI and its counsel to provide a copy of this Order to all IPI directors, officers,
24 executives, employees, or other agents; and

11. Awarding Plaintiffs attorneys’ fees in connection with the preparation of their motion for
an Order to Show Cause.

1 Plaintiffs may file a response by **Monday, December 7, 2020**. A hearing is set for **Thursday,**
2 **December 10, 2020 at 9:00 a.m.** The Clerk shall arrange for Plaintiffs' attorney Aaron Halegua to
3 appear by video teleconference.

4 IT IS SO ORDERED this 2nd day of December, 2020.
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6 
7 RAMONA V. MANGLONA
8 Chief Judge